

ENEMONA AD

ANNUAL CONSOLIDATED REPORT ON
ACTIVITIES,
INDEPENDENT AUDITOR'S REPORT
AND ANNUAL CONSOLIDATED
FINANCIAL STATEMENTS

December 31, 2013

Unofficial translation of the original in Bulgarian

**ANNUAL CONSOLIDATED REPORT
ON THE ACTIVITIES FOR 2013**

ANNUAL CONSOLIDATED REPORT ON THE ACTIVITY OF ENEMONA AD FOR 2013

Unofficial translation of the original in Bulgarian

I. DEVELOPMENT, POSITION AND PERSPECTIVES OF THE COMPANIES FROM ENEMONA GROUP OF COMPANIES

1. General information

Enemona Group of Companies (the Group) includes Enemona AD and its subsidiary and associate undertakings.

Enemona AD is a publically traded joint stock company, with seat and registered office: at 20, Kosta Lulchev str., 1113 Sofia, Bulgaria, tel.: + 359 6 2 805 4850, fax: + 359 2 915 9815, e-mail: office-sf@enemona.com, Internet site: www.enemona.com. The Company has currently one Bulgarian branches, Enemona AD – Sofia Branch (UIC 0024).

The Company has a one-tier system of government – Board of Directors, consisting of:

DICHKO PROKOPIEV PROKOPIEV – Chairman of the of Board of Directors and Chief Executive Officer, BOGDAN DICHEV PROKOPIEV - Deputy Chairman of the Board of Directors and Executive Director, EMIL KIRILOV MANCHEV – Member of the Board of Directors; MARGARITA IVANOVA DINEVA – Independent Member of the Board of Directors; NIKOLAY FILIPOV FILCHEV - Independent Member of the Board of Directors. The Company is represented by DICHKO PROKOPIEV PROKOPIEV and BOGDAN DICHEV PROKOPIEV both together and independently.

*The **registered capital** of the Company currently amounts to BGN 13,036,501 and is fully paid in. It is distributed into 13,036,501 dematerialized (book-entry form) shares, with a nominal value of BGN 1.00 each. The shares are divided in two classes: Class I – consisting of 11,933,600 ordinary voting shares and Class II – consisting of 1,102,901 non-voting preference shares.*

2. Enemona Group of Companies

Enemona is a “Economic group”, under the provisions of §1, p. 7 of the Additional Provisions of Ordinance №2 of September 17, 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information by the public companies and the other issuers of securities. According to the above mentioned provision, the Economic group consists of a parent undertaking and its subsidiaries. Under the definition of Art.2, Para.1, i.“a” form Seventh Council Directive 83/349/EEC of the Treaty on consolidated accounts, “a subsidiary undertaking” is an undertaking, in which a parent undertaking has a majority of the shareholders' or members' voting rights. The unifying factor in the group (parent undertaking) is Enemona AD.

The companies which Enemona AD controls and manages as of December 31, 2012 and December 31, 2013, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

COMPANY	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„CHPP NIKOPOL” EAD	100.00	100.00
„PPP MLADENOV” EOOD	100.00	100.00
„ARTANES MINING GROUP” AD	89.99	89.99
„ENEMONA UTILITIES” AD	92.24	97.23
„ESCO ENGINEERING” AD	99.00	99.00
„NEVROKOP-GAS” AD	90.00	90.00
„ENERGETICS AND ENERGY SAVINGS FUND - EESF” SPV	88.97	88.97
„PIRINPOWER” AD	100.00	100.00
„EMCO” AD	77.36	77.36
„REAL ESTATE INVESTMENT FUND- FINI” REIT	69.23	69.23
„HEMUSGAS” AD	50.00	50.00

Enemona AD Indirect Shareholdings

Company	Indirect Shareholding through	Percentage (%) of indirect shareholding as of 31.12.2013
„RegionalGas” AD	„Enemona Utilities” AD	50.00
„PirinPower” AD	„Enemona Utilities” AD	16.00

Enemona's shareholdings below 50%

Company	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„ALFA - ENEMONA” OOD	40.00	40.00
„ENEMONA - START” AD	4.90	4.90
„ENIDA ENGINEERING” AD	4.90	4.90

3. Changes in the structure of the economic group, which took place during the period under review

There are no changes in the structure of the economic group, which took place during the period.

4. Brief history

The Company was incorporated in 1990 and registered in the Trade Register as a partnership company named „Prokopiev and Enemona” SD. By a decision dated 28 July 1994 the Vratsa District Court entered into the companies register at the Vratsa District Court under company file No 542/1990, volume 2, page 180, batch number 57, the transformation of the Company into a joint stock company named Enemona AD. The Company is set up for an unlimited period of time.

By a decision No 84 – PD dated 16 January 2008, the Financial Supervision Commission (FSC) registered Enemona AD as a public company in the register of public companies and other issuers of securities under Art. 30, Para. 1, i.3 Financial Supervision Commission Act (FSCA), kept thereby.

5. Strategy and investments

The Management of Enemona Group continues realization of the activities to restructure the Group, to optimize the activity and to concentrate on the fundamental sectors for the economic group with the aim to ensure its sustainable development. The main trends in the development of the Group are directed mainly towards strategic sectors of the Bulgarian economy, namely: power engineering, industry and ecology.

In 2010 the Board of Directors of Enemona prepared and started the implementation of the new development strategy focusing on the following key areas: Focus on the core business – further development of its two core business lines: engineering, construction and assembly works, including energy efficiency and electricity trading; and disposal of non-core assets and businesses.

The Company's investment strategy will continue to be focused on the activities, in which the company has a good experience and competitive advantages. These are the engineering, construction and assembly works division (incl. energy efficiency) and trade in electricity.

The mid-term strategic goals of the Management of Enemona AD include:

- Achieving higher efficiency by means of optimization and concentration on the core business areas of Enemona Group;
- Further improvement of the Group's margins and profitability in the different fields of activities;
- Optimization of the operating expenses and achieving higher average margins from operating activities;
- Geographical expansion of the Group to EU while maintaining its leading position on the domestic market.

The new strategy of the Group assumes also the divestment of most of its non-core assets and businesses. The work in this direction covers two areas - one develops and tries to sell investment projects and activities, and the other focuses on and optimizes construction and assembly works.

In pursuance of these objectives, in 2013 the Management of Enemona Group launched the sale of the gas business of the Enemona Group.

The business line Engineering, construction and assembly works in the field of energy, industry, environment and energy efficiency renders the following engineering, construction and assembly services, comprising the complete project value-added chain: design and engineering – expert appraisals, design, consultations, analyses, technical-economic designs, project planning and management, supervision during project execution, preparation of hand-over documentation, control over resources and project implementation; construction and assembly works as well as steel structures manufacturing within the following areas: architecture and construction, water supply and sewerage, heating, ventilation and air conditioning, plant and technology, installation of fire alarm systems; electrical installations, instrumentation and control – electrical installation works, installation of measuring and control instruments and devices, lightning protection systems, earthing systems, etc.; start-up and set-up works, commissioning and testing during plant installation, control of instruments, special systems and equipment, etc.; maintenance, monitoring and warranty services.

Enemona also provides a full scope of customized solutions for energy saving measures and implements them in private and public buildings, industrial and power generation facilities with the aim to reduce energy losses in the power and heat supply infrastructure as well as to increase the efficiency ratio of the power generating equipment. In 2006 EESF SPV was founded by Enemona AD (as a majority shareholder) with the aim to finance the investments made under ESCO contracts.

The Business line Trade in electricity (electricity trading and natural gas trading) is conducted primarily by the subsidiary Enemona Utilities AD. Electricity trade in Bulgaria is carried by the regulated third party access, where transactions take place through direct bilateral contracts between producers/traders and consumers and balancing market (on which the missing quantities are bought and the remaining surpluses in bilateral contracts are sold). In the transitional period of gradual liberalization, the relationship between market players is still carried out on the regulated and free electricity market.

6. Annual Financial Statements

On March 30, 2013, Enemona AD publicly disclosed its Non-Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2012.

On April 26, 2013, Enemona AD publicly disclosed its Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2012.

7. Convening and holding of the General Meetings of Shareholders and holders of warrants

On January 08, 2013, the General Meeting of the holders of warrants was held. The Protocol was published on January 11, 2013.

On January 25, 2013 at 14:00 a.m., in Kozloduy, House Energy an Extraordinary General Meeting of Enemona AD was held with an Agenda: 1. Approval of the individual annual report on activities of the Company for 2011; Draft Resolution: EGMS approves the individual annual report on activities of the Company for 2011; 2. Approval of the individual annual financial statements of the Company

for 2011 and the independent auditor's report; Draft Resolution: EGMS approves the individual annual financial statements of the Company for 2011 and the independent auditor's report; 3. Approval of the consolidated annual report on activities of the Company for 2011; Draft Resolution: EGMS approves the consolidated annual report on activities of the Company for 2011; 4. Approval of the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; Draft Resolution: EGMS approves the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; 5. Distribution of the profit from the activities of the Company for 2011; Draft Resolution: EGMS approves the resolution of the Board of directors for establishing a loss from the activities of the Company for 2011 and does not distribute profit; 6. Distribution of the non-distributed profit from the activities of the Company for 2010; Draft Resolution: EGMS approves the resolution of the Board of directors for distribution of the non-distributed profit from the activities of the Company for 2010; 7. Establishing an accumulated loss from the activities of the Company as of 31.12.2011 resulting from the recalculated financial results for 2011 and 2009; Draft Resolution: EGMS approves the resolution of the Board of directors for establishing an accumulated loss from the activities of the Company as of 31.12.2011 resulting from the recalculated financial results for 2011 and 2009; 8. Covering the established accumulated loss from the activities of the Company as of 31.12.2011 resulting from the recalculated financial results for 2011 and 2009 through resources from the Premium reserves; Draft Resolution: EGMS approves the resolution of the Board of directors for covering the established accumulated loss from the activities of the Company as of 31.12.2011 resulting from the recalculated financial results for 2011 and 2009 through resources from the Premium reserves; 9. Adoption of a resolution for dividend distribution for 2011 to the shareholders holding preferred shares of the Company capital, pursuant to art. 8a, para. 3, item. 2 of the Statutes; Draft Resolution: EGMS adopts a resolution for dividend distribution for 2011 to the shareholders holding preferred shares of the Company capital, pursuant to art. 8a, para. 3, item 2 of the Statutes; 10. Authorization of the Board of directors for adoption of a resolution and organizing dividend distribution for 2011 to the shareholders, holding preferred shares of the Company capital, in case the condition of art. 247a, para. 1 of the Commercial Act is satisfied; Draft Resolution: EGMS authorizes the Board of directors for adoption of a resolution and organizing dividend distribution for 2011 to the shareholders, holding preferred shares of the Company capital, in case the condition of art. 247a, para. 1 of the Commercial Act is satisfied; 11. Discharging from liability the members of the Board of directors for their activities during 2011; Draft Resolution: EGMS discharges from liability the members of the Board of directors for their activities during 2011; 12. Miscellaneous.

In order to implement Decision № 64- PD of 24 January 2013, of the Financial Supervision Commission, paragraphs 6, 9 and 10 of the agenda of the Extraordinary General Meeting of shareholders, held on January 25, 2013, were not put to the vote.

The Protocol of The Extraordinary General Meeting of shareholders, held on January 25, 2013, was published on January 30, 2013.

On May 15, 2013 at 14:00 a.m., in Kozloduy, House Energy an Extraordinary General Meeting of Enemona AD was held with an Agenda: 1. Changes in the Board of Directors – specifying the number of members, the composition, the term of office, the remuneration, the management warranty and authorization of a person to conclude the agreements with the newly elected members; Draft resolution - EGMS approves the proposal of the Board of Directors to specify the number of its members, the composition, the term of office, the remuneration, the management

warranty and authorization of a person to conclude the agreements with the newly elected members; 2. Change of the seat and registered address of the Company; Draft resolution - EGMS changes the seat and registered address of the Company from the town of Kozloduy, zip code 3320, Vratsa Region, № 1A "Panayot Hitov" Str. to Sofia city, zip code 1113, Sofia Region (Capital), Sofia Municipality, "Slatina" district, № 20 "Costa Lulchev" Str.; 3. Amendments to the Company Statutes in connection with the change of the seat and registered address of the Company, Draft resolution - EGMS approves the proposal of the Board of Directors for amendments to the Company Statutes in connection with the change of the seat and registered address; 4. Miscellaneous.

On May 15, 2013 the Extraordinary session of the General Meeting of the Shareholders (EGMS) of Enemona AD took decisions concerning reducing the number of members of the Board of Directors, amendments to the Company Statutes and change of the seat and registered address of the Company from the town of Kozloduy 3320, Vratsa Region, № 1A "Panayot Hitov" Str. to Sofia city 1113, Sofia Region (Capital), Sofia Municipality, "Slatina" district, № 20 "Costa Lulchev" Str.

The Protocol of The Extraordinary General Meeting of shareholders, held on May 15, 2013, was published on May 17, 2013.

On July 25, 2013 the General Meeting of hareholders took the following decisions: 1.GMS approves the individual annual report on activities of the Company for 2012; 2. GMS approves the Report on the activities of the Investor Relations Director for 2012; 3. GMS approves the individual annual financial statements of the Company for 2012 and the independent auditor's report; 4. GMS approves the consolidated annual report on activities of the Company for 2012; 5. GMS approves the consolidated annual financial statements of the Company for 2012 and the independent auditor's report; 6. GMS adopts a resolution for dividend distribution for 2011 to the shareholders, holding preferred shares, issued by the Company; 7. GMS adopts a resolution for partial dividend distribution for 2012 to the shareholders, holding preferred shares, issued by the Company; 8. GMS adopts the proposition of the Board of Directors on the distribution of the Company's net profit for 2012 for dividend distribution to the shareholders, holding preferred shares, issued by the Company; 9. GMS discharges from responsibility/liability the members of the Board of Directors for their activities in 2012; 10. GMS adopts the proposition of the Board of Directors for fixing the remuneration and warrantees of the Executive Directors of the Company; 11. GMS authorizes the Board of Directors and Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS); 12. GMS authorizes the Board of Directors and Executive Directors of the Company for transactions under Article 114 of LPOS with subject lending / credit transaction limit for a period of one year; 13. GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring/securitization of current and future receivables up to BGN 30 000 000 for a period of one year and for concluding supplementary agreements to it; 14. GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring of current and future receivables up to BGN 5 000 000 for a period of one year and for concluding supplementary agreements to it; 15. GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject subject provision for use of office space and parking places for a period of three years; 16. GMS approves the Report of the audit committee for 2012; 17. GMS adopts a resolution for changes into the audit committee of the Company; 18. GMS adopts a

decision for election of a certified auditor for the year 2013 in accordance with the proposal of the audit committee. 19. GMS adopts the proposed by the Board of Directors Remuneration Policy.

The Protocol of The Ordinary General Meeting of shareholders, held on July 27, 2013, was published on July 30, 2013.

8. Dividend payments

According resolution of the General Meeting of Shareholders of Enemona AD, held on 25 of July 2013, the Company took decision for distribution of dividend for 2011 and partial distribution of dividend for 2012 to the shareholders, holding preferred shares, issued by the Company – a total amount of BGN 1 708 819. The payment of the full cash dividend for 2011 amounting to BGN 1 077 214 started on the 25.10.2013, the partial payment of a dividend for 2012 amounting to BGN 631 605 was delayed for 2014.

The distribution of dividend for 2011, was done under the terms and conditions of LPOS, ORDINANCE No 8 of November 12, 2003 on the Central Depository of securities, Rules and Regulations of Central Depository AD (Enclosure №27- „Procedure for payment of maturity payments on bonds and the distribution of dividends on share issues) and all the othesr relevant provisions of the Bulgarian legislation.

9. Changes in the board of directors

On May 15, 2013 the Extraordinary session of the General Meeting of the Shareholders (EGMS) of Enemona AD took the following decisions: REDUCES the number of members of the Board of Directors from 8 (eight) to 5 (five). RELEASES from office the following members of the Board of Directors: Mr. Tsvetan Kamenov Petrushkov; Mr. Liudmil Ivanov Stoyanov; Mr. Ilian Borissov Markov; Mr. Prokopi Dichev Prokopiev; Mr. Ivan Dimitrov Petrov and Mr. Georgi Zamfirov Goranov. As of 15 May 2013 the Board of Directors is: Dichko Prokopiev Prokopiev – CEO, Bogdan Dichev Prokopiev – Executive Director; Emil Kirilov Manchev – Board Member; Margarita Ivanova Dineva - Board Member; Nikolay Filipov Filchev - Board Member.

10. Amendments to the Articles of Association

On May 15, 2013 the Extraordinary session of the General Meeting of the Shareholders (EGMS) of Enemona AD took the following decisions: the following amendments to the Company Statutes in connection with the change of the seat and registered address of the Company:

§ 1. Art. 3 of the Statutes assumes the following new version:

“Art. 3. (1) The seat of the Company is in Sofia city, Sofia Region (Capital).

(2) The registered address of the Company is Sofia city 1113, Sofia Region (Capital), Sofia Municipality, "Slatina" District, № 20 "Costa Lulchev" Str."

§ 2. Section 2 of the Final provisions of the Statutes assumes the following new version:

"§ 2. These Statutes were adopted by the General Meeting of Shareholders of "Enemona" AD held on 13.04.2007 in the town of Kozloduy and were amended and supplemented by the General Meeting resolutions from 30.06.2008, from 30.06.2009, from 20.09.2010, from 30.06.2011, from 02.12.2011 and from 15.05.2013"

I.

II. PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

In its ordinary course of business, the Group may be exposed to various financial risks, the most important of which are foreign exchange risk, credit risk and liquidity risk.

The risk management is currently carried out under the direct supervision of the Executive Director and the financial experts under the policy, established by the Board of Directors of Enemona AD, who developed the basic principles of general management of financial risk, based on which are developed specific (written) procedures for managing the individual specific risks, such as currency, price, interest rate, credit and liquidity, and the use of non-derivative instruments.

The following describes the different types of risks the Group faces in the course of its business operations and the approach for managing those risks.

1. Impact of the Global Economic Crisis

Currently, the macroeconomic environment in Bulgaria faces the negative impact of the global financial and economic crisis and its results continue to be strongly felt. The measures taken by the EU and the Bulgarian Government destroyed to some extent, the negative phenomena in the economy.

2. Sector Risk

The construction sector suffered most severely and continuously by the negative impact of the global economic crisis, which resulted in the following trends:

- Shrinking of the construction market;
- Termination of contracts already signed;
- Freezing of construction works of already started contracts;
- Stronger competition in all market segments;
- Lowering prices to dumped levels.

Measures that the Group intends to undertake to reduce the impact of the global financial crisis, given the increase of global credit risk, liquidity stagnation and collapse of capital flows:

- strict compliance with the contracts concluded with financial institutions to exclude the possibility to early payment requests;
- limited investments in projects outside the main focus of the Group;
- cost optimization and investment programs review;

- speeding up the collection of receivables as well as their categorization for risk assessment and finding effective tools for collection;
- insurance of the financial risks for significant receivables;
- establishment of relationships with affluent investors only (such as government institutions, municipalities, companies working on projects secured by government guarantees);
- if long-term receivables occur, searching for a form of their restructuring into long-term debt and securing them with appropriate assets;
- with regard to the implementation of certain energy projects and energy-efficient operations, searching for options for EU- and other financing programs.

3. Currency Risk

The Group carries out its activities primarily on the domestic market, whereas the contracts abroad are in Euro. Therefore, the Group is not exposed to significant currency risk because almost all of its operations and transactions are denominated in Bulgarian lev (BGN) and Euro (EUR).

The Group has introduced a system for planning of imported deliveries and future payments in order to control the currency risk.

4. Credit Risk

When carrying out its activities the Group is exposed to credit risk that is the risk associated with some of its Contractors which will not be able to comply fully and in time with their payments.

The Group's financial assets are concentrated in two groups: cash and receivables from customers.

The Group's cash and payment operations are carried out by the following banks - DSK, Eurobank EFG, UBB, Unicredit Bulbank, FIBank, etc., which have a high reputation and strong liquidity, that limits the risk on cash and cash equivalents.

The Group has no significant concentration of credit risk. Its policy is that payments are made within the terms specified in the contracts.

The collection and concentration of receivables is monitored currently, according to the established policy of the Group. For that purpose, a daily review is made by the financial and accounting department to monitor by clients and by received payments, followed by an analysis of the unpaid amount and the condition of the client.

To control the risk, the Group ensures immediate payment of collect receivables and the long-term ones are formed into individual agreements with debtors.

Measures that companies from the Enemona Group has introduced in order to control the collection of receivables:

- A detailed estimation for the expected revenues from receivables and uncollected receivables is made. A daily forecast for the next two months is made. A separate forecast is made on a monthly basis for the whole year. The implementation of the underlying assumptions are monitored by the Executive Director and the Financial Department of the Group;

- Every week, in some cases even more frequently, meetings are held by the Financial Committee to the Board of Directors, to discuss problems with uncollected receivables. A person responsible for each overdue receivable is determined, who is responsible for communicating with the company, sending notifications, if necessary bringing legal proceedings and making a plan to influence the payers. The meetings are attended by the Chief Executive Officer of Enemona AD;
- A model is developed that tracks receivables and cash flows. It is available to all offices and subsidiaries of the company and is constantly updated;
- When negotiating for a business deal with a new contractor, investigations are made for the financial reliability according to a procedure (assessment of the financial risk by Coface Group (a leading company in the field of financial management) and the Bulgarian Export Insurance Agency (BAEZ);
- Certain receivables are insured - "Financial Risk Insurance";
- The contracts with partners include provisions that ensure the collectability of receivables (indisputability, irrevocability, default interest, valid date, etc.)
- An age analysis of receivables is prepared and when unacceptable delay occurs, measures for their collecting are taken (reminders, calls for repayment notary and legal action).

5. Liquidity Risk

The liquidity risk is the adverse situation of the Companies from the Group not to be able to meet unconditionally all its obligations according to their maturity.

The Economic Group observes a conservative policy on liquidity management, maintaining constant optimal liquid cash and a good ability to finance its business. The Group uses bank and other loans as well.

Enemona Group manages liquidity of assets and liabilities by a detailed analysis of the structure and dynamics and forecasting of future cash flows.

III. INFORMATION ON IMPORTANT EVENTS THAT TOOK PLACE AFTER DECEMBER 31, 2013

On January 8, 2014 the Financial Supervision Commission approves Prospect for public offering of shares of the subsidiary EESF ADSIC.

On April 16, 2014 was completed the subscription for capital increase with the subscribed 562 704 registered ordinary dematerialized shares, each with voting right and nominal value of BGN 1 (one). The issuing value per share is BGN 1,80 (one lev and eighty) and the attracted funds from the emission are BGN 1 012 867,20. As a result from the capital increase the participation of Enemona AD decreases from 88.20% to 77.06%.

Sale of the Group's gas business:

On January 16, 2014 are signed preliminary agreements for the sale of gas assets ownership of the subsidiary Enemona Utilities AD. The remuneration for this transaction is BGN 5,600 thousand. As of the date of preparation of these financial statements assets amounting to BGN 3,100 thousand have been transferred.

On January 30, 2014 is signed an agreement for the sale of 45 000 shares representing 90% of the share capital of the subsidiary Nevrokop gas AD. The agreed remuneration for the transaction is EUR 400 thousand.

IV. MAIN BUSINESS LINES IN THE GROUP

ENGINEERING, CONSTRUCTION AND ASSEMBLY WORKS, INCLUDING ENERGY EFFICIENCY

The business line Engineering, construction and assembly works in the field of energy, industry, environment and energy efficiency renders the following engineering, construction and assembly services, comprising the complete project value-added chain: design and engineering – expert appraisals, design, consultations, analyses, technical-economic designs, project planning and management, supervision during project execution, preparation of hand-over documentation, control over resources and project implementation; construction and assembly works as well as steel structures manufacturing within the following areas: architecture and construction, water supply and sewerage, heating, ventilation and air conditioning, plant and technology, installation of fire alarm systems; electrical installations, instrumentation and control – electrical installation works, installation of measuring and control instruments and devices, lightning protection systems, earthing systems, etc.; start-up and set-up works, commissioning and testing during plant installation, control of instruments, special systems and equipment, etc.; maintenance, monitoring and warranty services.

Enemona also provides a full scope of customized solutions for energy saving measures and implements them in private and public buildings, industrial and power generation facilities with the aim to reduce energy losses in the power and heat supply infrastructure as well as to increase the efficiency ratio of the power generating equipment. In 2006 EESF SPV was founded by Enemona AD (as a majority shareholder) with the aim to finance the investments made under ESCO contracts.

1. ENEMONA AD

Enemona AD is a joint-stock company with ascope of activity: design, investment, construction and assembly, commissioning works, repair, maintenance, engineering, marketing, tourist, public catering, hotel management, camping, agency, advertising, business activities /including import, export, purchase and sale of real property including agricultural lands, purchase and sale of receivables, exchange, compensation, leasing, rental, barter, consignment transactions/, production, purchase, marketing, maintenance of and trade with machines, equipment, materials, elements and spare parts and commodities. production, transmission, distribution and trade with heat and electrical energy, including energy from renewable sources, production and trade with energy carriers – after the obtaining the relevant permit/licence in the cases provided in the law; design and construction of energy facilities and energy saving facilities; energy efficiency services (including investigation, consulting, research, design, construction, installation, modernization, maintenance, operation and monitoring of machines, facilities and buildings), prospecting, investigation, development, production and use of deposits of mineral resources within the meaning of Art. 2 of the Mineral Resources Act, and of biological resources, mineral resources, energy resources and water, acquisition of concessions for hydromeliorative and water supply facilities and

systems, port terminals, republican roads, objects of the railroad infrastructure. consultancy, translation, motor vehicle repair, transport, taxi, tourist, communication and household services. agricultural activities /including production, purchase, processing and marketing of agricultural products/ in this country and abroad; veterinary services and consultations; holding of shares and interest including acquisition of shares and interest in other companies, participation in joint ventures, acquisition of shares, interest and/or companies by merger and bundling and their sale; trade with shops and any other activities that are not forbidden by the laws of the Republic of Bulgaria.

ANALYSIS OF THE FINANCIAL RESULTS AND THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

Assets

Total assets of the Company as of 31 December 2013 amount to BGN 164 043 thousand, increasing with 9,6% compared to 31 December 2012.

The non-current assets of Enemona AD as of 31 December 2013 amount to BGN 53 599 thousand, representing 32,7% of all assets of the Company, decreasing with 14,7% compared to 31 December 2012.

The current assets of Enemona AD as of 31 December 2013 amount to BGN 110 444 thousand, representing 67,3% of all Company's assets, growing by 27,2% compared to 31 December 2012, mainly due to an increase in trade receivables and gross amount due from customers on construction contracts.

Liabilities

Enemona AD finances its principal activity with equity or borrowings. The Company's equity at 31 December 2013 amounts to BGN 52 392 thousand, or 46.9% of its liabilities. In 2013, the value of equity increased with 0,3%, compared to the data in the modified statement for 2012.

The share capital of the issuer amounts to BGN 13,037 thousand split into 11,934 thousand ordinary shares and 1,103 thousand preference shares.

Non-current liabilities at 31 December 2013 amounts to BGN 9 799 thousand and represent 5.97% of the Company's liabilities. They include mainly long-term bank loans.

The current liabilities of Enemona AD as of 31 December 2013 amount to BGN 101 852 thousand, representing 62.1% of all Company's liabilities, increasing with 13.7% compared to the previous year.

Liquidity analysis

Ratio	Description	31 December 2013
General liquidity	CA/CL	1,08
Quick liquidity	(Cash+Cash equivalents+Receivables)/CL	1,00
Immediate liquidity	(Cash+Cash equivalents)/CL	0,008

Funds available to the Company in a given moment to meet its operating expenses, incl. all short-term assets that may quickly transform into the required funds and at market values, without significant transactions costs, are determined as sources of liquidity. The sources of liquidity for Enemona AD are mainly revenue from sales of products and external/debt financing in the form of bank loans.

Operating income

Sales revenue of the Company in 2013 amount to BGN 85 642 thousand and they increase 30.8% compared with 2012. During the past two years the management of Enemona AD focused its efforts to conclude construction contracts abroad, mainly in Germany. As a result the CBI as of 31 December, 2013 amounts BGN 95.8 million. In addition the company has received calls for final negotiations for contracts amounting to BGN 40 million. By these strong measures the management aims to overcome the negative trend from declining revenues and achieve high positive results from operations.

Expences

The Company's expenses amount to BGN 79,059 thousand with 24,57% increase compared to the end of 2012. The faster growth of cost reduction reflects positively to the financial results.

The Company's expenses for 2013 comprise of: costs of materials BGN 26 532 thousand, costs of hired services BGN 21 788 thousand, salaries and wages BGN 26 063 thousand, depreciation/amortization BGN 1 648 thousand and other expenses BGN 3 421 thousand and decrease of work in progress in the amount of BGN 393 thousand.

Profit analysis

Enemona AD finishes 2013 with a positive net financial result amounting to BGN 387 thousand.

Profit (loss) analysis

Ratio	Description	31 December 2013
Gross profit ratio	Pre-tax profit/Sales revenue	15.6%
Return on sales	Net profit/Total revenue	0.45%

Profitability ratios reflect the ability of the Company to generate operating income and operating profit, respectively. For the year ending 31 December 2013 Enemona AD has reported revenue in the total amount of BGN 85 423 thousand and gross profits before taxes amounting to BGN 13 322 thousand. The above profitability ratios of the Company were calculated on the basis of these figures.

Equity analysis

Ratio	Description	31 December 2013
Equity utilization	Total equity/Total assets	31.9%
Return on assets	Net profit/ Total assets	0,2%

Return on equity	Net profit/Equity	0,7%
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Financial leverage analysis

Ratio	Description	31 December 2013
Leverage	Debt/Assets	31.9%
Gearing	Long-term debt/Equity	0,24

For the purpose of financial leverage analysis of Enemona AD, we calculate two ratios by dividing the issuer's debt by its assets and equity, respectively. The values calculated as of 31 December 2013 show a decrease in the ratio of Debt/Assets, compared to the modified financial report for 2012.

Effectiveness analysis

Ratio	Description	31 December 2013
Asset turnover	Sales revenue/Total assets	52.2%
Net working capital	Short-term assets – Short-term liabilities	8 592

The change in sales revenue affects the Company's effectiveness. As of December 31, 2013 the asset turnover has increased to 52.2% (43.7% as of December 31, 2012). Net working capital marks positive values due to the faster growth of the short-term loans.

INFORMATION ABOUT THE SOURCES FOR SUPPLY OF MATERIALS FOR 2013

Supplier	Type of supplies	Value ('000BGN)
SIEMENS TURBOMACHINERY EQUIPMENT GMBH	Technics	5 042
EGEM S.R.O.	Materials	2 298
OSCAR EL	Materials	1 556
TE CONNECTIVITY SOLUTIONS GMBH	Materials	1 526
FERROSTAAL PIPING SUPPLY GMBH	Materials	812

INFORMATION ABOUT CONCLUDED BIG TRANSACTIONS AND SUCH OF MATERIAL IMPORTANCE FOR THE ACTIVITY

In 2013, Enemona AD signed new contracts in the field of Engineering, Energy efficiency, Construction and Assembly Works for a total of BGN 43 million (excl. VAT).

3. EMCO AD

EMCO AD is established and entered into the Commercial Register in 1997. It is with seat and registered office at: region of Pleven, Municipality of Belene, town of Belene 5930, P.O.b. 63, Project: Nuclear Power Plant(NPP). The scope of activities of EMCO AD includes: *design, construction, mounting and repair work of energy industrial and communal projects and gas supply projects in Bulgaria and abroad, manufacturing of customized equipment, metal structures, reservoir basins, appurtenances, electrical equipment for Bulgaria and abroad, foreign and home trade, services.*

The Company is specialized in manufacturing of customized structures of carbon steel, alloy and stainless steels. EMCO AD is certified ISO 9001:2000.

ANALYSIS OF THE FINANCIAL RESULTS AND THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

The Total Revenue of EMCO AD for 2013 amounts to BGN 7 004 thousand and the net profit for the period is loss amounted BGN 866 thousand.

Revenues from main operations

Revenues from main operations (In thousand BGN)	2013	2012
Products	6 533	8495
Materials	165	165
Services	6	6
Others	397	9
TOTAL:	7 004	8 678

Liquidity analysis

Ratio	31 December 2013	31 December 2012
General liquidity	1.090	1.126
Quick liquidity	0.889	0.990
Immediate liquidity	0.020	0.025

Profitability analysis

Ratio	31 December 2013	31 December 2012
Return on sales	-	0.0082%
Return on equity	-	0.0172%

INFORMATION ON THE ACTIVITY

The physical volume of production for 2013 is 1 512 tons. The main Contractors during the reporting period are: Alstom Sweden, Alstom India, Enemona DA and others.

Structural changes in the physical volume of production in 2013 were not made, because the production program of the Company in recent years includes mainly production of components for electrical precipitators, fundamental parts for gas and steam turbines, tanks for petroleum products and pressure vessels. In 2013, the structural volume of business was expanded with the following activities: prefabrication and installation of structures for belt conveyors and components and production of cable support structures.

As of December 31, 2013 EMCO AD employs 208 people,.

TRADE IN ELECTRICITY

The Business line Trade in electricity (electricity trading and natural gas trading) is conducted primarily by the subsidiary Enemona Utilities AD. Electricity trade in Bulgaria is carried by the regulated third party access, where transactions take place through direct bilateral contracts between producers/traders and consumers and balancing market (on which the missing quantities are bought and the remaining surpluses in bilateral contracts are sold). In the transitional period of gradual liberalization, the relationship between market players is still carried out on the regulated and free electricity market.

The Business line includes the Companies: Enemona Utilities AD, along with Nevrokop-Gas AD, Hemusgas AD, Regionalgas AD and Pirin Power AD¹.

1. ENEMONA UTILITIES AD

Enemona Utilities is a joint-stock company with a scope of activity - *trade in electricity, generating, import and export of electric and heating energy, green certificates trading, energy management, investment designing and consulting in the energy field, trade (home and foreign) with all types of energy (after obtaining the required permit / license in the cases provided by the law), building and control on networks for natural gas in urban industrial areas, operation, maintenance, and repair of built-up water sources, water supply systems, appurtenances and pump stations, delivery, power and water supply, transmission and supply of potable water, joint distribution of the consumed quantities of cold potable water, building and control of the catalyst system, provision of telecommunication services, designing and building of telecommunication systems and appurtenances in Bulgaria and abroad, collection, transportation, treatment, and processing of solid (domestic and industrial) waste, treatment (recycling) of waste water (domestic and industrial) and*

¹The leading company in the Business line is Enemona Utilities AD, which activities will be discussed in detail in the report. The activities of Nevrokop-gas AD, Hemusgas AD, Regionalgas AD and Pirin Power AD are either at an early stage of development, or do not differ from the information revealed so far.

appropriate processing of muddy sediments, improvement of the contaminated areas, city services (street lighting, control of buildings, parkings, subways, etc.), landscape planting, maintenance of parks and gardens, building of parks, and any other activity not forbidden by the law.

Enemona Utilities is registered in the Trade Register in 2005. Its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 1.

The Company's shareholders as of December 31, 2013 are Enemona AD and two natural person. The capital of Enemona Utilities AD is BGN 2.25 million, divided into 1,710,000 ordinary shares and 540,000 ordinary bearer shares with a nominal value of BGN 1.00 each.

Enemona Utilities AD has a two-tier management system.

ANALYSIS OF THE FINANCIAL RESULTS OF THE COMPANY

In 2013 Enemona Utilities AD focused on minimizing the negative impact of the ongoing financial and economic crisis in Bulgaria.

The Company's revenues in 2013 are segmented, as follows:

Revenue	Value in thousand BGN
Revenue, including	57 936
Sales of Goods:	57 699
Electricity	52 801
Compressed gas	4 898
Sales of Services:	131
Other Revenues:	-
Income from Financing:	106
Financial Income:	252

ANALYSIS OF THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

Ratios	31.12.2013	31.12.2012
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1. Non-Currents Assets (thousand BGN)	6 827	8 229
2. Current Assets (thousand BGN)	14 236	11 628
3. Total Assets (thousand BGN)	21 063	19 857
4. Equity (thousand BGN)	5 678	5 303
5. Non-Current Liabilities (thousand BGN)	1 742	2 469
6. Current Liabilities (thousand BGN)	13 643	12 085
7. Revenue (thousand BGN)	58 188	63 368
8. Expenses (thousand BGN)	57 771	63 173
9. Net Profit (thousand BGN)	375	175
10. General Liquidity (CA/CL)	1,04	0,96
11. Return on Sales (Net Profit/Revenue)	0,006	0,003
12. Return on Assets (Net Profit/Total Assets)	0,02	0,01
13. Leverage (Liabilities/Total Assets)	0,73	0,73

Assets, Liabilities, Equity

In 2013, there is an increase in the current assets as compared to 2012. That fact is due to the decrease in the gross amounts due from customers, other current receivables and cash of the Company as of December 31, 2013.

The equity of the Company as of December 31, 2012 amounts to BGN 5 678 thousand, representing 27.00% of the total assets.

The decrease in non-current liabilities is due to the repayment of an investment bank loan used by Enemona Utilities AD for the Project "Virtual Pipeline Simitli - Gotse Delchev". The current liabilities mark an increase, resulting from an increase in the Company's payables to suppliers.

Revenue, Expenses, Profit

Company's revenues decreased in 2013 as compared to 2012, at about 8%. That is due to an decrease in the electricity and natural gas traded. The expenses also show decrease of about 8.50%. The Financial result for 2013 is a profit of BGN 375 thousand.

COMPANY'S FUTURE DEVELOPMENT

The main objectives to the Company are the increasing of the volume of traded quantities of electricity and natural gas, developing a strategy and taking action for the expansion of foreign trade contracts of sale with customers outside the Republic of Bulgaria.

The dynamics in relationships related to electricity and natural gas makes it possible to identify specific transactions that are expected to be concluded. The aim of Enemona Utilities AD is expanding the market, on which it operates, by attracting new customers both in Bulgaria and abroad.

ASSETS MANAGEMENT AND OTHER ACTIVITIES

Enemona is the founder and majority shareholder in two special investment purpose vehicles – Energetics and Energy Savings Fund - EESF SPV, and Real Estate Investments Fund - FINI REIT. Those two entities have been established in order to utilize different investment instruments, i.e. the opportunity of investing by means of securitization in the two legally defined directions by the Bulgarian Law on the Special Purpose Vehicles. The process of securitization includes investing the financial resources, raised by security issues, in real estate or receivables.

1. ENERGETICS AND ENERGY SAVINGS FUND – EESF SPV

Energetics and Energy Savings Fund - EESF SPV has its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 3.

On May 17, 2006 by a Decision № 333 - SPV, the Financial Supervision Commission issued a license to the Energetics and Energy Savings Fund - EESF SPV.

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.eesf.biz and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

2. REAL ESTATE INVESTMENT FUND- FINI REIT

Real Estate Investment Fund – FINI REIT has its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 3.

On August 16, 2007 by a Decision № 1138 - SPV, the Financial Supervision Commission issued a license to the Real Estate Investment Fund – FINI REIT.

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.fini.bg and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

3. ARTANES MINING GROUP AD

Artanes Mining Group AD was established on February 15, 2011 in the Republic of Bulgaria seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str. and is registered in the Trade register on April 19, 2011.

The Company's scope of activities includes: *prospecting, exploration and mining of underground resources; exploration, development and implementation of methods for underground coal gasification in solid fuels deposits; financing, construction and operation of mines; production and trade in electricity and energy (after obtaining the required permit / concession rights / license for the respective activity required by law) and any other activity that is not prohibited by law.*

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.artanesmining.bg and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

4. CHPP NIKOPOL EAD

CHPP Nikopol EAD was established in 2008 with main scope of activities: *research, design, construction, installation, start-up and commissioning, repair services, engineering, production and sale of electricity and heat from various energy sources.* Its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str.

CHPP Nikopol was established as a project company for developing Enemona's activities in the field of renewable energy sources. According to the conceptual technical characteristics, the Central Heating Power Plant will have a total installed heating capacity of 50 MWth, electrical capacity of 16MWel, generating a net annual electricity of 128MWh. The technology allows 80% of the fuel to be waste agricultural biomass (straw) and an option for the remaining 20% to be other biological waste.

I. RESEARCH AND DEVELOPMENT, PATENTS, LICENSES OF ENEMONA GROUP OF COMPANIES

Enemona AD creates and develops up to date scientific developments in the field of the national energy system. With the scope to find solutions for problems in the energy sector, the company forms teams from its own inventors, experts, and power engineers from outside organizations and scientists from the Technical Universities of Sofia and Varna.

For example, for the effective use of the shut down facilities in Kozloduy NPP, Enemona AD holds two patents related to the operation of power equipment in the second contour of Kozloduy NPP. The patents have with the following registration numbers BG 65250 B1 and BG 65267 B1 and have the following common name:

"A system for generation of reactive power in the power system"

The patented inventions were created by a team in 2002 while the patents were issued in 2008 by the Patent Office of Bulgaria. The created technical solutions allow the use of the generators of units 1 and 2 of Kozloduy NPP as synchronous compensators. The switching of these units in the country's power system improves the quality of electricity for end users, reduces losses in power transmission system, and achieves significant social, economic and political effects.

In the field of Energy Efficiency and Ecology with the aim to achieve beneficial effects on the ecological balance and to allow energy savings, Enemona AD created a number of technical solutions, united in a patent application № 110222/19.09.2008, having the following name:

"Methods and devices for receiving thermal energy towards steam turbine systems that produce electricity and heat"

The use of the proposed solutions to be patented enables the change of the thermal cycle in the currently operational thermal power plants and in Kozloduy NPP. This creates the possibility for the waste heat from the exhausted steam to be returned back into the thermal cycle and to reduce significantly its needs for cooling and condensation. Thus significant fuel savings are achieved which reduces the environmental pollution and the need for purification of flue gases. The heat pollution from so-called "hot canals" at the power stations can be reduced. The effect over the ecological balance is favorable as a significantly higher efficiency of steam turbine plants is achieved. The above mentioned benefits from the developed technical solutions contribute to the realization of significant economic effects in the power engineering.

Licenses in the Enemona Group of Companies

1. Enemona Utilities AD – License for trade in electricity for a 10 year period № L201-15/27.02.2006;
2. Enemona AD - License for trade in electricity for a 10 years period - № L275-15/08.09.2008;
3. Nevrokop-Gas AD - license for distribution of natural gas for 35 years period - № L289-08/22.12.2008; license for supply with natural gas on the territory of Gotse Delchev Municipality - № L289-12/22.12.2008;
4. EESF SPV – By a decision issued on May 17, Decision № 333 – SPV, the Financial Supervision Commission issued a License to the Energy and Energetic Savings Fund –EESF SPV;
5. FINI REIT - By Decision № 1138 of the Financial Supervision Commission (FSC) as of 16.08.2007 FINI has a license for carrying on its activity.

II. INFORMATION UNDER APPENDIX №10 OF ORDINANCE No. 2 OF SEPTEMBER 17, 2003 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION BY THE PUBLIC COMPANIES AND THE OTHER ISSUERS OF SECURITIES

1. Analysis of the financial results and the results from the activities of the Group

1. Assets

The Non-Current Assets as of December 31, 2013 amount BGN 60 541 thousand and represent 30.1% of the Total Assets, and as compared to December 31, 2012 decrease by 28.3%. The most significant decrease is in the value of Property, plant and equipment.

The Total Assets of the Group as of December 31, 2013 reach BGN 201 353 thousand, which is a 2.4% increase as compared to December 31, 2012,.

The Current Assets of the Group as of December 31, 2013 reach BGN 140 812 thousand, and represent 69.9% of the Total Assets, and as compared to December 31, 2012 increase by 25.6%.

2. Equity and Liabilities

Enemona AD finances its principal activity with equity or borrowings.

The specific characteristics of the fields of activity in which the companies from the Group operate, as well as the projects they are involved in, are characterized by high capital intensity and large time lag of return. The large-scale projects in the field of energy construction - the main business of the companies, require huge financial resources to be provided mainly by borrowing, especially in times of prolonged global economic crisis. Moreover, the financial return from the activities is expected to be postponed for a longer period of time as compared to other industries and sectors. As a whole, the financial ratios of the Group are above the average for the field of activities of the companies within the Group.

The Group's Equity at December 31, 2013 amounts to BGN 54 904 thousand, or 27.27% of its assets – close to value as of the end of 2012- 29.12%.

Non-current liabilities as of 31.12.2013 amounted to 9,901 thousand forming 6.8% of the total liabilities of the Group. They are represented mainly by long-term bank loans and long-term portion of obligations under the preferred shares which vary compared to those reported at the end of 2012 by 5.8% and (6.2%). In 2013 as a result of the amendment to IAS 19 provisions were recognized for actuarial losses and liabilities recognized for employee benefits at December 31, 2013 increased to a value of BGN 470 thousand, compared to BGN 81 thousand for the previous year.

The current liabilities of the Group at the end of 2013 amounted to BGN 136.548 thousand and are formed mainly of trade payables and short-term loans amounted to 93.2% of total liabilities. Their value increased in 2013 compared to those reported in the previous year by 5.3%. The main changes are due to an increase in trade payables of 17.2% and a decrease in short-term loans by 11.9%.

3. Liquidity analysis

Ratio	Description	31 December 2013
General liquidity	CA/CL	1.03
Quick liquidity	(Cash+Cash equivalents+Receivables)/CL	0.96

Immediate liquidity	(Cash+Cash equivalents)/CL	0.01
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Funds available to the Group in a given moment to meet its operating expenses, incl. all short-term assets that may quickly transform into the required funds and at market values, without significant transactions costs, are determined as sources of liquidity. The sources of liquidity for Enemona Group are mainly revenue from sales of products and external/debt financing in the form of bank loans.

4. Revenues

Enemona Group ended the reporting period with a loss of BGN 98 thousand loss before tax from continuing operations and a net loss for the year from continuing operations amounting to BGN 2 150 thousand.

The Revenue of the Group marks an increase of 10.3% compared to 2012, and amount to BGN 148,593 thousand.

The Group's expenses amount to BGN 145 481 thousand, and the greatest effect have the Materials and consumables used, which increase by BGN 12 154 thousand.

5. Financial leverage analysis

Ratio	Description	31 December 2013
Leverage	Debt/Assets	72.70%
Gearing	Long-term debt/Equity	18.03%

For the purpose of financial leverage analysis of the Group, we calculate two ratios by dividing the issuer's debt by its assets and equity, respectively. The values calculated at December 31, 2013 are almost the same as the previous year. The Company covers over 5.5 times its long-term liabilities with its equity.

6. Effectiveness analysis

Ratio	Description	31 December 2013
Asset turnover	Sales revenue/Total assets	73.8%
Net working capital	Short-term assets – Short-term liabilities	BGN 4 264 thousand

The change in sales revenue affects the Group's effectiveness. Net working capital marks an increase by BGN 21 740 thousand compared to December 31, 2012.

2. Information given in value or quantitative terms about the main categories of commodities, products and/or provided services on a consolidated basis

	Year ended 31.12.2013	Year ended 31.12.2012
	Thousand BGN	Thousand BGN
Revenue from construction contracts	90,601	71,534
Revenue from sale of electricity	52,717	58,685
Revenue from sale of compressed natural gas	4,949	4,068
Revenue from services	326	387
Other revenue	-	7
TOTAL REVENUE	148,593	134,681

3. Information about the revenues allocated by separate categories of activities on a consolidated basis

Segment revenue (in thousand BGN)

	Year ended 31.12.2013	Year ended 31.12.2012
Engineering, construction and assembly works	90,788	71,850
Electricity trading	52,748	58,687
Other segments	5,057	4,144
TOTAL	148,593	134,681

Geographical distribution (in thousand BGN)

	Year ended 31.12.2013	Year ended 31.12.2012
Bulgaria	99,153	88,159
Slovakia	19,809	18,501
Germany	15,938	17,492
Norway	743	491
Britain	272	-
Other	12,678	10,038
TOTAL	148,593	134,681

4. Information about the sources for supply of materials on a consolidated basis

TOP 5 SUPPLIERS OF MATERIALS IN TERMS OF VALUE OF SUPPLIES

Supplier	Type of supplies
SIEMENS TURBOMACHINERY EQUIPMENT GMBH	equipment
EGEM S.R.O.	Materials
OSCAR EL	Materials
TE CONNECTIVITY SOLUTIONS GMBH	Materials
ENERGY MT	Electricity

5. Information about the transactions concluded between with related parties during the reporting period, proposals for conclusion of such transactions as well as transactions which are outside the usual activity or substantially deviate from the market conditions, to which the issuer or its subsidiary is a party, indicating the amount of the transactions, the nature of relatedness and any information necessary for an estimate of the influence over the groups' financial status

The information about the transactions concluded with related parties during the reporting period is disclosed in Note 31 of the Notes to the Consolidated Financial Statement for 2013.

6. Information about events and indicators of unusual for the group nature, having substantial influence over its operation and the realized by it revenues and expenses made; assessment of their influence over the results during the current year

During the period under review no events and indicators of unusual for the Group nature, having substantial influence over its operation.

7. Information about off-balance kept transactions – nature and business objective, indication of the financial impact of the transactions on the operation, if the risk and benefits of these transactions are substantial for the assessment of the groups' financial status

The Group prepares its Consolidated Financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations, issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union (the "EU") and applicable in the Republic of Bulgaria. The information about contingent liabilities is disclosed in Note 33 of the Notes to the Consolidated Financial Statement for 2013.

8. Information about holdings of the issuer, about its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as the investments in equity securities outside its economic group and the sources/ways of financing

The companies which Enemona AD controls and manages as of December 31, 2012 and December 31, 2013, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

COMPANY	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„CHPP NIKOPOL“ EAD	100.00	100.00
„PPP MLADENOV“ EOOD	100.00	100.00
„ARTANES MINING GROUP“ AD	99.99	89.99
„ENEMONA UTILITIES“ AD	92.24	97.23
„ESCO ENGINEERING“ AD	99.00	99.00
„NEVROKOP-GAS“ AD	90.00	90.00
„ENERGETICS AND ENERGY SAVINGS FUND - EESF“ SPV	88.97	88.97
„PIRINPOWER“ AD	84.00	84.00
„EMCO“ AD	77.36	77.36
„REAL ESTATE INVESTMENT FUND- FINI“ REIT	69.23	69.23
„HEMUSGAS“ AD	50.00	50.00

Enemona AD Indirect Shareholdings

Company	Indirect Shareholding through	Percentage (%) of indirect shareholding as of 31.12.2013
„RegionalGas“ AD	„Enemona Utilities“ AD	50.00
„PirinPower“ AD	„Enemona Utilities“ AD	16.00

Enemona's shareholdings below 50%

Company	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„ALFA - ENEMONA“ OOD	40.00	40.00
„ENEMONA - START“ AD	4.90	4.90
„ENIDA ENGINEERING“ AD	4.90	4.90

9. Information about the concluded by the issuer, by its subsidiary or parent undertaking, in their capacity of borrowers, loan contracts with indication of the terms and conditions thereof, including the deadlines for repayment as well as information on the provided guarantees and assuming of liabilities

The information about the concluded by the Companies from the Group, in their capacity of borrower, loan contracts, is disclosed in Note 15 of the Notes to the Consolidated Financial Statement for 2013.

10. Information about the concluded by the issuer, by its subsidiary or the parent undertaking, in their capacity of lenders, loan contracts, including the provision of guarantees of any type, including to related persons, with indication of the concrete conditions there under, including the deadlines for repayment and the purpose for which they have been granted

The information about the concluded by the Companies from the Group, in their capacity of lender, loan contracts, is disclosed in Note 9 of the Notes to the Consolidated Financial Statement for 2013.

11. Information on the use of the proceeds from a new issue of securities carried out during the reported period

During the reported period no new issues of securities have been carried out.

12. Analysis of the ratio between the achieved financial results reflected in the financial statement for the fiscal year, and previously published forecasts for these results

In the prospectuses for public offering of the ordinary shares, preferred shares and warrants issued by Enemona AD and approved by the FSC, there are no financial forecasts.

13. Analysis and assessment of the policy concerning the management of the financial resources with indication of the possibilities for servicing of the liabilities, eventual jeopardizes and measures which the group has undertaken or is to undertake with a view to their removal

The true and fair presentation of the information in the financial statements of the Group is ensured by the systematic application of accounting policies based on current accounting, which is checked by an internal control system.

14. Assessment of the possibilities for realization of the investment intentions, indicating the amount of the available funds and stating the possible changes in the structure of the financing of this activity

As of December 31, 2013 the Group has cash and cash equivalents for a total BGN 1 439 thousand. That fact in combination with the increased capital base, determines a good opportunity to raise funds for the implementation of the Group's investment projects.

15. Information about occurred during the reporting period changes in the base principles for management of the issuer and its Economic Group

For the period under review, there have been no changes in the base principles for management of the Issuer and its Group.

16. Information on the amount of the remunerations, rewards and/or the benefits of everyone of the members of the management and control bodies for the fiscal year under review, paid by the issuer and its subsidiaries, irrespective of whether they have been included in the issuer's expenses or arise from profit distribution

Name	Gross Remuneration (BGN)	Net Remuneration (BGN)
Dichko Prokopiev Prokopiev		
Enemona AD	46568.18	38869.54
Enemona Utilities AD	87130.43	78417.39
Total	133698.61	117286.93
Tsvetan Kamenov Petrushkov		
Enemona AD	29205.08	25174.53
Enemona Utilities AD	70434.79	62094.35
EESF SPV	11100.00	9355.16
FINI REIT	2134.50	1921.05
EMCO AD	12000.00	10800.00
Total	124874.37	109345.09
Lyudmil Ivanov Stoyanov		
Enemona AD		
Enemona Utilities AD	7971.30	6416.88
Total	36727.28	32523.85
	44698.58	38940.73
Prokopi Dichev Prokopiev		
Enemona AD	35066.42	30027.25
Enemona Utilities AD	70434.77	63311.42
EESF SPV	11100.00	9121.56
Artanes Mining Group AD	4300.00	3870.00
Total	120901.19	106330.23
Ilian Borisov Markov		
Enemona AD	4883.67	4393.41
Enemona (civil contract)	4600.00	4155.10
Enemona AD – Slovakia Branch	21831.58	19509.10
Enemona AD – Galabovo Branch	25233.68	21202.91
Total	56548.93	49260.52
Margarita Ivanova Dineva		
Enemona AD	11600.00 лв	9151.32 лв
Ivan Dimitrov Petrov		

Enemona AD	4883.68 лв	4395.31 лв
Georgi Zamfirov Goranov		
Enemona AD	4883.68 лв	4395.31 лв
Bogdan Dichev Prokopiev		
Enemona AD	32714.39 лв	28421.28 лв
Enemona Utilities AD	17975.65 лв	16178.08 лв
CHHP Nikopol EAD	13826.00 лв	12443.40 лв
EMCO AD	2150.00 лв	1935.00 лв
Artanes Mining Group AD	66666.05 лв.	58977.76 лв.
Total		
Emil Kirilov Manchev		
Enemona AD	6216.33 лв	5594.70 лв.
Nikolay Filipov Filchev		
Enemona AD	6816.31 лв.	5412.99 лв.

17. Participation of the members of the Board of Directors and the Procurator as of 31 December 2013

Dichko Prokopiev Prokopiev
Enemona AD – Chairman of the of Board of Directors and Chief Executive Officer
Global Capital OOD, Kozloduy – Manager and Partner
Enemona Utilities AD, Sofia – Chairman of the Supervisory Board
CHHP Nikopol EAD, Sofia – Chairman of the Supervisoy Board
Izolko OOD, Kozloduy - Partner
Bogdan Dichev Prokopiev
Enemona AD - Vice Chairman of the of Board of Directors and Chief Executive Officer
Global Capital OOD, Kozloduy – Partner
Enemona Utilities AD, Sofia – Chairman of the Managing Board
CHHP Nikopol EAD, Sofia – Chairman of the Managing Board
ESCO Engineering AD, Sofia – Member of the Board of Directors
Nevrokop Gas AD, Gotse Delchev – Chairman of the of Board of Directors
PirinPower AD, Sofia – Vice Chairman of the of Board of Directors
Hemusgaz AD
Izolko OOD, Kozloduy - Partner
EMCO AD, Belene – Member of the Board of Directors
Artanes Mining Group AD, Sofia – Chairman of the of Board of Directors
RacioConsult OOD, Sofia - Partner

Interalt OOD - Partner
Margarita Ivanova Dineva
Enemona AD – Member of the of Board of Directors
Emil Kirilov Manchev
Enemona AD – Member of the of Board of Directors
Nikolay Filipov Filchev
Enemona AD – Member of the of Board of Directors

18. Information about the owned by the members of the management and the Procurators shares of the issuer

Shares in Enemona AD	Percentage of the capital as of 31 December 2013 at a capital of 13 036 501	Percentage of the ordinary shares as of 31 December 2013 at OS of 11 933 600	Percentage of the preferred shares as of 31 December 2013 at PS of 1 102 901	Percentage of warrants as of 31 December 2013 at an issue of 5 966 792
Dichko Prokopiev Prokopiev - Chairman of the Board of Directors	45.38	49.58	0.00	60.13
Bogdan Dichev Prokopiev – Vice Chairman of the Board of Directors	1.84	2.01	0.00	0.33
Emil Kirilov Manchev - Member of the Board of Directors	0.10	0.11	0.00	0.00
Margarita Ivanova Dineva - Member of the Board of Directors	0.00	0.00	0.00	0.00
Nikolay Filipov Filchev - Member of the Board of Directors	0.00	0.00	0.00	0.00

19. Information about the known to the group agreements (including also after the fiscal year closing) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders and bondholder

For the period under review there are no agreements, as a result of which changes may occur in the future in the owned percentage of shares by current shareholders.

20. Information about pending legal, administrative or arbitration proceedings relating to issuer's liabilities or receivables at amount at least 10 percent of its equity; if the total amount of the issuer's liabilities or receivables under all initiated proceedings exceeds 10 per cent of its equity, information shall be submitted for each procedure separately

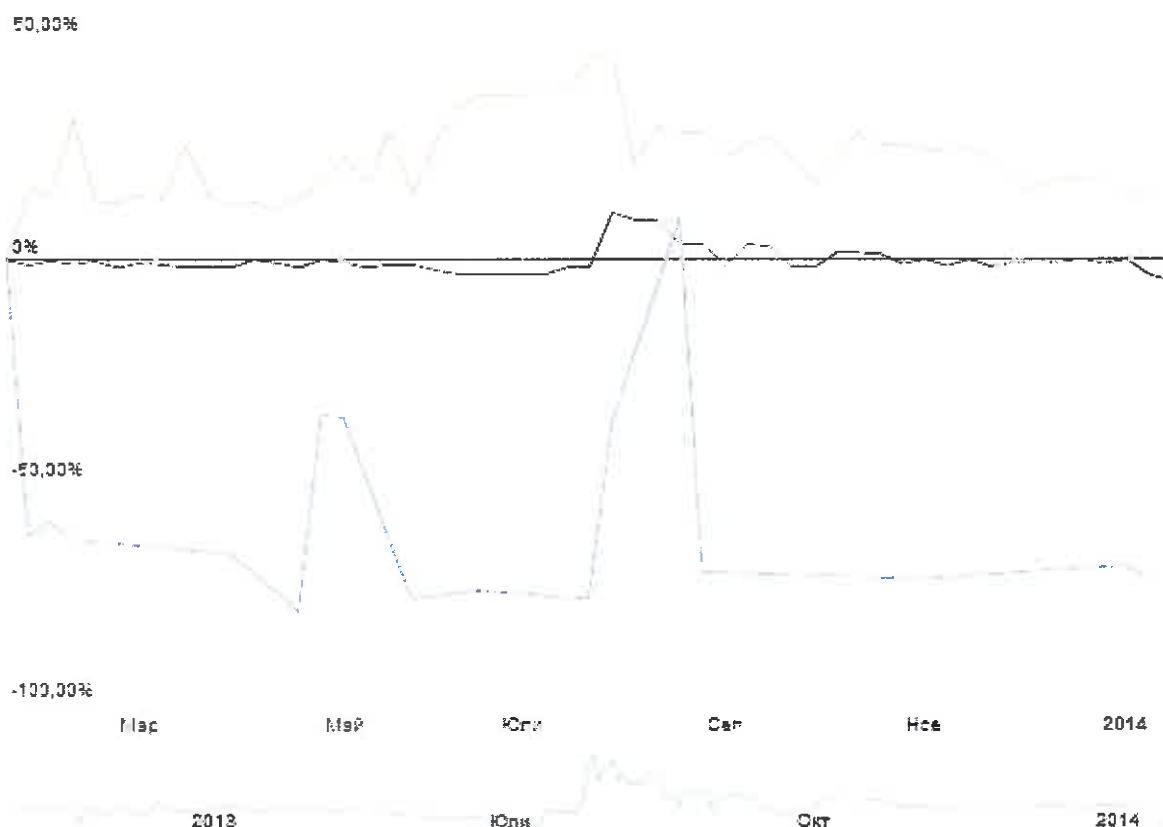
Enemona AD had no pending legal administrative or arbitration proceedings, relating to issuer's liabilities or receivables at amount at least 10 percent of its equity.

21. Information about the price of the financial instruments, issued by the Enemona AD

Енемона АД (ENM)

ENM -4,51%   +11,43%  -71,78%

week of May 21, 2013 - week of May 20, 2014



22. Data about the Investor Relations Director, including telephone and address for correspondence

As of December 31, 2013 the position of Investor Relations Director of Enemona AD, is occupied by Svetla Svetlozarova Zaharieva.

Contact Data of the Investor Relations Director:

1113 Sofia
Geo Milev District

20, Kosta Lulchev Str.
tel: +359 2 80 54 893
fax: +359 80 54 837
Mobile: +359 885 721 108
E-mail: s.zaharieva@enemona.com

III. INFORMATION IN RELATION TO THE BULGARIAN CODE FOR CORPORATE GOVERNANCE

On a meeting, held on 17 April 2008, the Board of Directors of Enemona AD decided to join and observe the National Code of Corporate Governance, approved and adopted by Minutes No 36 dated 17 October 2007 of BD of BSE – Sofia AD. This decision was announced to the Financial Supervision Commission, Bulgarian Stock Exchange and the public.

Pursuant to the instructions of the Financial Supervision Commission dated 21 February 2008, the application of the National Code of Corporate Governance substituted the requirement to prepare and implement their own corporate governance program. As a consequence of the decision that Enemona AD shall operate in accordance with the principles and provisions of the National Code of Corporate Governance, as well as due to the fact that the company's shares have been traded on the regulated market since the end of January 2008, the Company did not prepare and approve a separate corporate governance program.

Enemona AD observes the principal provisions of the National Code of Corporate Governance.

The main direction in fulfilling the commitments of the Code was bringing all in-house acts of the Company and its overall activity in accordance with the constantly changing effective regulations. All financial statements of the Company are prepared in accordance with International Accounting Standard (IAS) and the annual audit is carried out by an independent auditor to ensure the unbiased and objective assessment of the method of preparation and presentation of these financial statements. These financial statements are accompanied by detailed management reports.

Enemona AD is a publicly traded company with a one-tier management system. All members of the Board of Directors comply with the legal requirements for their position. The functions and obligations of corporate management, as well as its structure and competences, are in accordance with the Code. The remunerations of all Members of the Board of Directors have been disclosed in the annual reports in compliance with the legal provisions. Shareholders have an easy access to information about remunerations. Members of Board of Directors avoid and do not allow any actual or potential conflict of interests.

To increase the trust of shareholders, investors and all other persons interested in the governance and activities of the Company was one of the principal commitments of corporate governance in the past year as well.

Enemona AD guarantees equal treatment of all shareholders, including minority and foreign shareholders, and protects their rights.

Following the policy for transparency in its relationships with shareholders, investors and the public, Enemona AD has announced the media through which it discloses regulated information: www.investor.bg.

The Board of Directors of Enemona AD believes that through its activity in 2012, it has created conditions for sufficient transparency of its relationships with investors, financial media and analysts in the capital market.

For the reporting year 2012, the Company has disclosed any regulated information on time and in accordance with the procedure provided for in LPOS and the regulations on its application.

A section "For investors" has been added in the Company's website – www.enemona.bg. The purpose of this section is to facilitate investors in receiving up-to-date and timely information. This section contains information about the financial and economic position of the Company, as well as materials concerning corporate events already held or forthcoming. The Company's contact information is published in the website, as also that of Investor Relations Director, thus encouraging shareholders and interested parties to ask for the information they need.

The Regular General Meeting of Shareholders is convened in accordance with the effective rules for making public the invitation, the agenda and draft decisions. All printed materials shall be made available to the shareholders in the office and published at the website of the Company.

The financial statements are published at the website of Enemona AD right after they are forwarded to the regulatory authority and the public, which enables the shareholders, investors and all interested parties to exercise control.

In conclusion it can be summarized that the activity of the Board of Directors of the Company in 2013 was in accordance with the National Code of Corporate Governance and International Standards.

Evidence for this is the inclusion of Enemona AD in the new INDEX OF THE COMPANIES HAVING GOOD CORPORATE GOVERNANCE - Corporate Governance Index (CGIX). The CGIX is an index comprising the seven companies listed on the Exchange that have the best corporate governance, based on the market capitalisation of the issues of ordinary shares included, adjusted by the free-float of each one.

IV. INFORMATION UNDER APPENDIX №11 OF ORDINANCE No. 2 OF SEPTEMBER 17, 2003 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION BY THE PUBLIC COMPANIES AND THE OTHER ISSUERS OF SECURITIES

- 1. Structure of the Company's capital including the securities that have not been admitted to trading on a regulated market in the Republic of Bulgaria or another member state, with indication of the different classes of shares, the rights and liabilities attaching to any of the classes of shares and the portion of the total capital which each individual class constitutes**

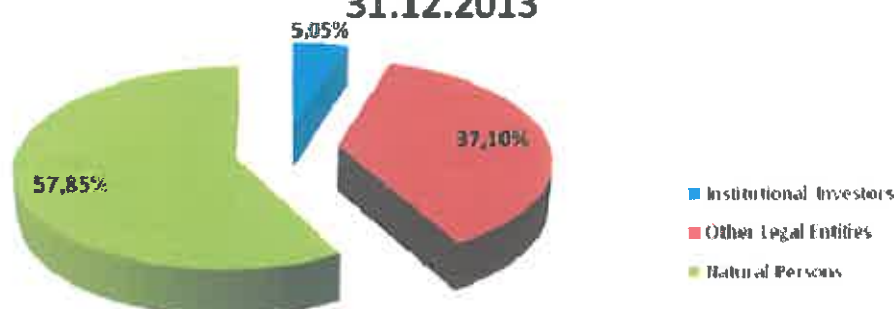
As of December 31, 2013 the Company's share capital amounts to 13,036,501 (thirteen million thirty-six thousand five hundred and one), divided into 11,933,600 ordinary shares with voting

rights in the GMS and 1,102,901 preferred shares without voting rights at the GMS, giving their owners a guaranteed cumulative annual dividend of 10 per cent of the issue price per preferred share.

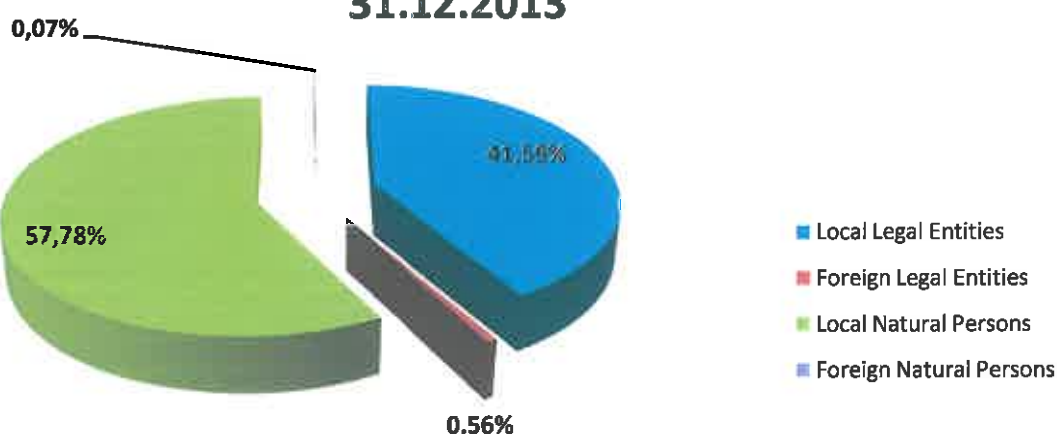
Structure of the capital (ordinary and preferred) shares:

No	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	1 782	6 903 765
2.	Legal entities	149	5 029 835
	Total:	1 391	11 933 600

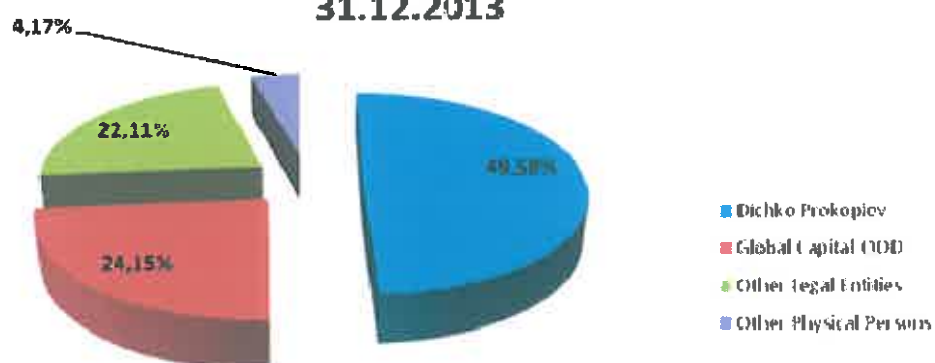
Shareholder Structure of Ordinary Shares, issued by Enemona AD as of 31.12.2013



Shareholder Structure of Ordinary Shares, issued by Enemona AD as of 31.12.2013



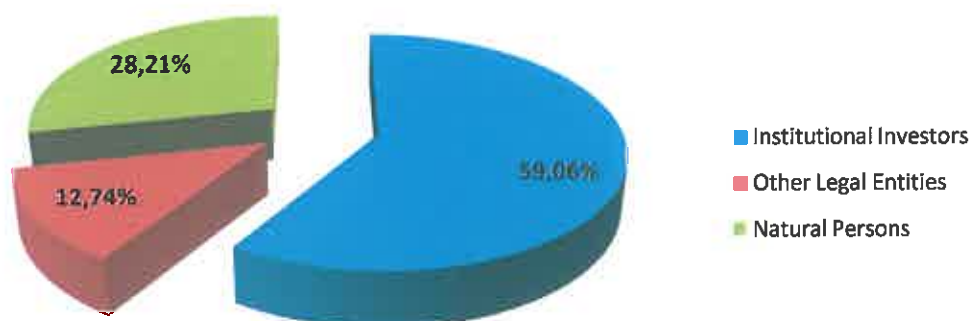
**Shareholder Structure of Ordinary
Shares, issued by Enemona AD as of
31.12.2013**



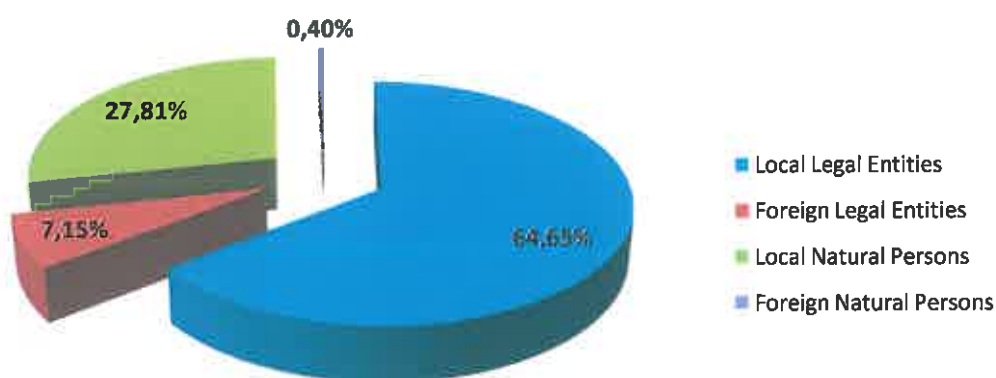
The structure of the issue of preferred, dematerialized shares, without voting rights, with a nominal value of BGN 1.00 and ISIN code BG1200001102 is shown below:

No	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	331	311 074
2.	Legal entities	46	791 827
Total:		377	1 102 901

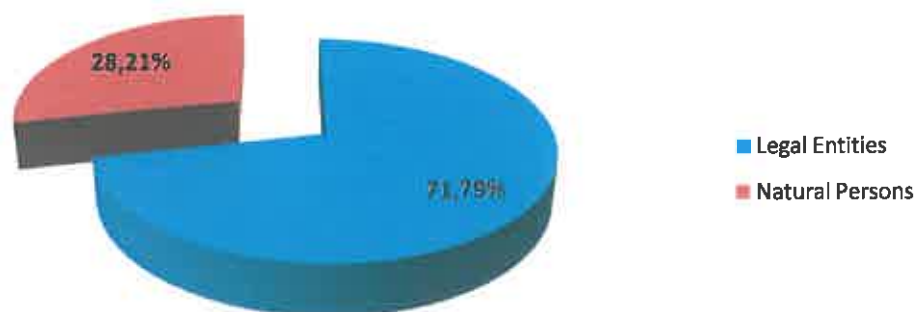
Shareholder Structure of Preferred Shares, issued by Enemona AD as of 31.12.2013



Shareholder Structure of Preferred Shares, issued by Enemona AD as of 31.12.2013



Shareholder Structure of Preferred Shares, issued by Enemona AD as of 31.12.2013

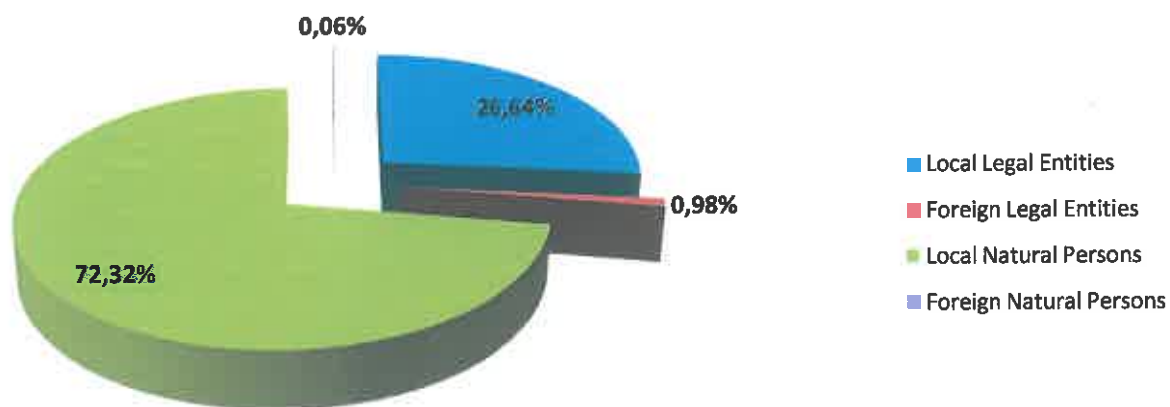


WARRANTS

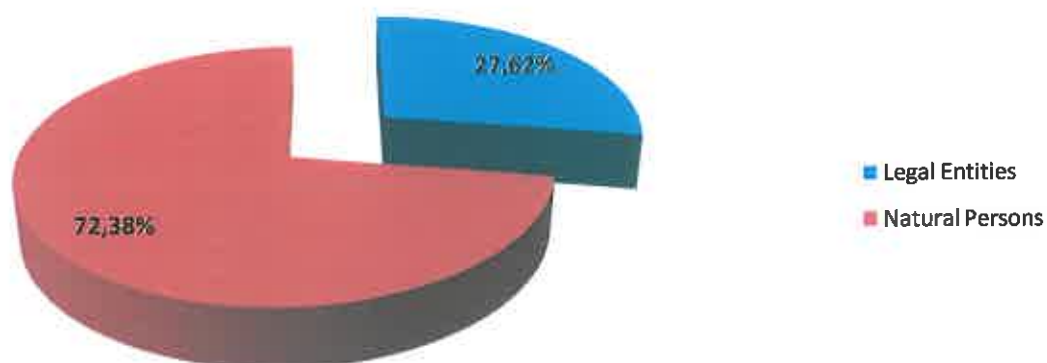
The structure of the issue of warrants, with an underlying asset – a future issue of ordinary shares, ISIN code BG9200001105 is shown below:

No	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	249	4 318 757
2.	Legal entities	28	1 648 035
Total:		277	5 966 792

Stricture of the Holders of Warrants, issued by Enemona AD as of 31.12.2013



Stricture of the Holders of Warrants, issued by Enemona AD as of 31.12.2013



2. Limitations over the securities transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder

There are no limitations over securities transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder.

Securities are freely transferable, subject to the requirements of the applicable law for transactions in dematerialized securities. The Articles of Association and the other internal Acts of the Company may not establish conditions or restrictions on securities transfer.

3. Information on the direct and indirect holding of 5 or more percent of the voting rights in the company's General Meeting, including data about the shareholders, the amount of their holding and the manner in which the shares are owned

Ownership as of December 31, 2013²

Ownerships as of 31 December 2013	Ordinary Shares 11 933 600	Preferred Shares 1 102 901	Issued Share Capital 13 036 501
Dichko Prokopiev Prokopiev	49.58%	-	45.38%
Global Capital OOD	24.14%	-	22.10%

Dichko Prokopiev owns directly and indirectly via Global Capital – 67,48% of the issued share capital.

As of December 31, 2013, a total of 2 285 107 ordinary shares, owned by Global Capital OOD, and 2 228 258 ordinary shares, owned by Dichko Prokopiev, are subject to repo transactions.

4. Data about the shareholders with special control rights and description of these rights

There are no shareholders with special control rights.

5. The control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them

There is no control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them.

6. Limitations over the voting rights, such as limitations over the voting rights of the shareholders with a given percent or number of votes, deadline for exercising the voting rights or systems whereby with the company's assistance, the financial rights attaching to the shares are separated from the holding of shares

There are no limitations over the voting rights.

7. Agreements among the shareholders, which are known to the company and which may result in limitations over the transfer of shares or the voting right

There are no agreements among the shareholders, which are known to the company and which may result in limitations over the transfer of shares or the voting right.

²The shares pledged under repo-transactions, owned by Dichko Prokopiev and Global Capital OOD, are included in their percentage of holding.

8. The provisions about the appointment and dismissal of the members of the company's management bodies and about introduction of amendments and supplements to the Articles of Association

The General Meeting of Shareholders decides by a majority of more than a half of the shares with voting rights about the election and dismissal of members of the Board of Directors. Members of the Board of Directors are elected for a term of 5 years.

Members of the Board of Directors may be reelected without any limitations. After termination of their mandate, the Board of Directors shall continue to perform its functions until General Meeting of Shareholders elects a new Board of Directors.

9. The powers of the company's management bodies, including the right to take decisions for the issue and redemption of shares in the company

Enemona AD has one-tier management system. The bodies of the Company are the General Meeting of Shareholders and a Board of Directors.

The General Meeting of Shareholders includes shareholders entitled to vote. They attend the General Meeting either personally or through a person authorized by an express written authorization in compliance with Art. 116, Para.1 from LPOS.

The Company is managed by a Board of Directors elected by the General Meeting of Shareholders.

The company has a one-tier system of government – Board of Directors, consisting of:

Members of the Board of Directors:

1. Dichko Prokopiev Prokopiev – Chairman of the of Board of Directors;
2. Bogdan Dichev Prokopiev - Deputy Chairman of the Board of Directors;
3. Emil Kirilov Manchev- Deputy Member of the Board of Directors;
4. Margarita Ivanova Dineva – Independent Member of the Board of Directors, and
5. Nikolay Filipov Filchev - Independent Member of the Board of Directors.

Representatives:

To third parties, the Company is jointly and independently represented by:

1. Dichko Prokopiev Prokopiev – Chief Executive Officer;
2. Bogdan Dichev Prokopiev - Executive Director;

Under Art. 37, Para. 1 of the Articles of Association of the Company within five years from registering in the Trade Register, the Board of Directors may decide to increase the capital to 100 million (one hundred million) by issuing new shares.

10. Significant contracts of the company which give rise to action, have been amended or terminated due to change in the control of the company upon carrying out of obligatory tender offer and the consequences thereof, save for the cases when the disclosure of such

information may cause serious damages to the company; the exception of the previous sentence shall not apply in the cases when the company must disclose information by virtue of the law

There are no significant contracts of the Company which give rise to action, have been amended or terminated due to change in the control of the Company upon carrying out of an obligatory tender offer.

11. Agreements between the company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relations due to reasons, related to a tender offer

There are no agreements between the Company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relations due to reasons, related to a tender offer.

Date: April 23, 2014

On behalf of the Management of Enemona AD:



Dichko Prokopiev Prokopiev

Chief Executive Director